



STATE OF IDAHO

DEPARTMENT OF  
ENVIRONMENTAL QUALITY

1410 North Hilton, Boise, ID 83706-1255, (208) 373-0502

James E. Risch, Governor  
Toni Hardesty, Director

September 12, 2006

**Official Announcement and Pre-Application Solicitation—2008 Funding Cycle for  
Competitive Nonpoint Source Management §319 subgrants**

Dear:

The Idaho Department of Environmental Quality (DEQ) is announcing the start of the 2008 Nonpoint Source Management §319 grants funding cycle. Again this year DEQ is recommending pre-applications as an optional first-step in the competitive grant process. All prospective applicants are encouraged to submit proposed project pre-applications as a means of familiarizing DEQ early on with the project and alerting us to the full application to follow.

Beginning this year DEQ is introducing a new online version of the project grant preapplication and application. The documents are available electronically at [http://www.deq.idaho.gov/Applications/319G/319G\\_MenuFirst.cfm](http://www.deq.idaho.gov/Applications/319G/319G_MenuFirst.cfm). Information to assist you with completing your application can also be found at the same web address.

To facilitate the announcement and pre-application solicitation we ask that you distribute this notice within your agency or organization, as appropriate.

*Project Eligibility*

All grant application submittals must be consistent with the *1999 Idaho Nonpoint Source Management Plan* available at [http://www.deq.idaho.gov/water/data\\_reports/surface\\_water/nps/reports.cfm#nps\\_plan](http://www.deq.idaho.gov/water/data_reports/surface_water/nps/reports.cfm#nps_plan), as well as with statewide and regional priorities for the restoration and maintenance of ground and surface water beneficial uses in Idaho. In addition, all projects are expected to be implemented by dedicated staff, committed toward long-term solutions, and should avoid a high cost of capital improvement without an attributing benefit to improving or restoring water quality. To qualify, projects must include an effort to track and report on the stated pollutants or constituents of concern, and ensure that the project outcome will be fully maintained for at least a ten-year-period after the project has been completed.

The grant evaluation process generally consists of five steps that can take over a year from the start of the grant application process until the project is approved for funding and work is authorized to proceed. Successful project applications will be granted funding based on DEQ being notified of EPA's intent to award NPS 319 annual program funding. Notification is expected in February 2008. (See the enclosure "Proposal Review Process: Milestones and Schedule." for more information).

The general schedule for the 2008 budget cycle is as follows:

- (1) Pre-application form completion and submittal, optional, by November 7, 2006.
- (2) Completion and submittal of the formal project application by February 8, 2007.
- (3) Project sponsor presentations and ranking by Basin Advisory Groups (BAGs) in April and May 2007.
- (4) Statewide project ranking and selection conducted jointly by the BAG Chairs, as presented by the DEQ Grant and Loan Program. Projects are forwarded to the DEQ Director for final state approval in June 2007.
- (5) Projects approved by the Director are sent to EPA Region 10 for final federal review and approval in September 2007.

Idaho's priorities for the 2008 funding cycle are outlined below to assist in targeting project applications. These priority categories reflect where the State of Idaho has urgent needs, and the project outcomes are either transferable or have lasting value based on the public expenditure. Projects meeting at least one of the following points will receive the strongest consideration for funding:

- I. Fulfills goal and objectives for one of seven sectors in the *1999 Idaho Nonpoint Source Management Plan* (see Chapter 1):
  - Agriculture—Eligible for grant funding except those activities covered by a draft or final NPDES permit and consistent with the 2003 *Idaho Agriculture Pollution Abatement Plan* ([www.scc.state.id.us/pdf/Agplan.pdf](http://www.scc.state.id.us/pdf/Agplan.pdf)).
  - Urban Runoff—Eligible for grant funding except instances covered by a draft or final NPDES permit.
  - Transportation—Eligible for grant funding except instances covered by a draft or final NPDES permit.
  - Silviculture—Silvicultural or forestry related activities are eligible for grant funding.
  - Mining—Eligible for grant funding except those activities covered by a draft or final NPDES permit.
  - Ground Water Activities—Eligible for grant funding to the extent identified by Idaho's nonpoint source management and source water protection programs, and where efforts involve regional collaboration or have statewide application.
  - Hydrologic/Habitat Modification—Hydrologic and habitat modification and related activities, including wetland reconstruction, are eligible for grant funding.
- II. Implements approved Total Maximum Daily Loads (TMDLs), TMDL implementation plans, or water quality management plans.
- III. Addresses anti-degradation of a water body.
- IV. Promotes comprehensive or conjunctive management of ground water quality with particular emphasis on nitrate priority areas.

Funding Target and Timeframe

For the 2008 funding cycle, approximately \$2.2 million is expected to be available for project grants. The amount of funding provided to projects can range from \$5,000 to \$250,000 per grant application.

Recommended, but optional, pre-applications should be submitted to DEQ by Tuesday, November 7, 2006. All pre-applications will be reviewed by DEQ and the applicants will be contacted by January 7, 2007. The due date for the full project applications is Wednesday, February 8, 2007. The project sponsor and the applicable regional DEQ office are expected to coordinate efforts in advance to ensure that all regional project applications will be presented, as a courtesy, to the local watershed advisory group prior to the February 8<sup>th</sup> deadline.

Application Review Process, Schedule, and Additional Information

Enclosed with this letter is a schedule with key milestones of the project application and review process. Fixed calendar dates are shown in bold print, with date ranges provided as an estimate for planning purposes. You are encouraged to use the link provided above to the *1999 Idaho Nonpoint Source Management Plan* (Chapter 8) – also enclosed - for more information on the policy DEQ adheres to in administering the program.

For information on EPA's Nonpoint Source Program and grants guidelines for States please access the EPA website at <http://www.epa.gov/owow/nps/cwact.html>.

If you have any questions, please contact Dave Pisarski at (208) 373- 0464, or at [dave.pisarski@deq.idaho.gov](mailto:dave.pisarski@deq.idaho.gov).

Sincerely,



Barry N. Burnell  
Administrator  
Water Quality Division

BNB:BJ:te  
Enclosures

## **Application Review Process Milestones and Schedule**

The schedule below outlines the Nonpoint Source (NPS) Program grant application review process. Fixed calendar dates are shown in bold print, with ranges provided for planning purposes as an estimate for other milestones.

- **September 12, 2006:** Grant Pre-Application Solicitation and Announcement—DEQ NPS Program announces solicitation for an optional pre-application. The solicitation will request a pre-application [http://www.deq.idaho.gov/Applications/319G/319G\\_MenuFirst.cfm](http://www.deq.idaho.gov/Applications/319G/319G_MenuFirst.cfm) as the initial step toward submitting a full application.
- **November 7, 2006:** The optional pre-application is due to the DEQ State Office NPS Program. The pre-application form will be reviewed and feedback will be provided by DEQ within 60 days.
- **January 8, 2007:** DEQ will complete all pre-applications reviews and will notify project applicants of the outcome.
- **February 8, 2007:** Formal grant application is due using the online application [http://www.deq.idaho.gov/Applications/319G/319G\\_MenuFirst.cfm](http://www.deq.idaho.gov/Applications/319G/319G_MenuFirst.cfm). All regional application submittals are expected to have been presented to the local Watershed Advisory Group (WAG), where applicable, prior to this date.
- *Mid-February-Mid-March 2007:* DEQ and appropriate designated agencies complete a technical evaluation of each project application.
- **March 30, 2007:** All qualifying projects are provided to respective Basin Advisory Groups (BAGs) for review.
- *April and early May 2007:* Each project sponsor will be required to present the project to the respective BAGs. Afterwards, regional and state office DEQ staff will assist the BAGs in ranking the project proposals in order of funding importance for basin restoration efforts.
- **May 12, 2007:** The regional project rankings are summarized and included in a letter inviting all regional BAG chairpersons or their delegate to meet in Boise to review all projects to determine which will be the highest priorities for funding in 2008.
- *Mid-June 2007:* DEQ water quality management and all BAG chairpersons or their designated representatives meet to prioritize projects statewide into a preliminary funding list.
- *Mid-August 2007:* The project applications considered for funding are transmitted to the EPA Region 10 Nonpoint Source Program for review and preliminary approval. The review process is expected to take 30 days or less. EPA may provide DEQ with comments (i.e. required project revisions) on any §319 project application. Comments may be incorporated into final grant application(s), as necessary.
- *Mid-September 2007:* The final grant application package consisting of all prioritized project applications is submitted to the DEQ Director for approval.
- *November – December 2007:* DEQ applies to EPA for year 2008 funding through a Nonpoint Source Management §319 grant award to the State of Idaho.

- **March 1, 2008:** DEQ receives a 2008 grant obligation letter from EPA. All project applicants are notified in writing by DEQ of their project funding status. In turn, all successful project applicants are requested to initiate the subgrant development process with DEQ as quickly as possible.
- *Ongoing:* DEQ meets with BAGs and other designated agencies to establish opportunities for nonpoint source implementation projects within their respective basins that to satisfy TMDL requirements or protect high quality ground and surface waters.

# ***1999 Idaho Nonpoint Source Management Plan***

## **Chapter 8: Nonpoint Source Program Management**

The DEQ provides for an efficient and effective administration of the Nonpoint Source Management Program. Primary duties include coordinating, defining the direction of, and leading NPS pollution prevention and control efforts throughout Idaho. The role of DEQ is multi-fold on various levels. On one level, the DEQ role is to lay out state priorities and processes for impaired water bodies listed on the §303(d) list through collaboration with the other state designated agencies. Further, the DEQ role is to assist sister state agencies with integrating those priorities through DEQ liaison through multiple state/federal committees or workgroups, and through DEQ regional office participation/facilitation of public advisory groups, public outreach and training efforts. On another level, the DEQ helps to provide the linkages between setting the statewide priorities, while ensuring the priorities are evident during implementation in the various agency programs through the use of tracking and reporting mechanisms in meeting water quality standards and beneficial uses.

Congress provides limited grant funds to those states programs with approved *1999 Nonpoint Source Management Plan*. The State of Idaho is eligible for these monies and makes them available as subgrants to various local, county, tribal and state governments as well as nonprofit organizations, interest groups, universities for the implementation of the Nonpoint Source Management Program. Proposals can be based on water quality limited water bodies from the State of Idaho approved §303(d) list, approved TMDLs, waters reported in the §305(b) report, waters of special concern (e.g., threatened and/or endangered species, sole source aquifer, etc.), promoting anti-degradation, or waters where beneficial uses are fully supported, but where documented nonpoint source pollution threatens future use.

### **Project Timing and Accounting**

Nonpoint Source Management Program project development generally follows the EPA guidance and schedule listed in Appendix D of the “*Nonpoint Source Program and Grants Guidance For Fiscal Year 1997 and Future Years*” (EPA, 1996). In addition, the state has added elements to the schedule to include preliminary project reviews by the appropriate designated agency and prioritization by the appropriate Basin Advisory Group (BAG).

As part of the 319 program requirements, the state is mandated to use the “Grants Tracking and Reporting System” by inputting the required elements into EPA's computer database. The data entered is taken from project semi-annual reporting. In turn, the state NPS program produces two annual reports summarizing and highlighting the accomplishments. In addition, the state uses a fiscal accounting system to track expenditures of both subgrant funds and non-matching funds for projects within the program. These accounting procedures meet all required state and federal audit provisions.

## **Project Proposals**

The DEQ annually requests project proposals for the coming federal fiscal year. Applications for proposed nonpoint source projects are narrative in nature and generally range from six (6) to twelve (12) pages in length. However, DEQ has no minimum length or places no restriction on length of proposed projects. Pre-application forms are to be completed and submitted as the first step of evaluating project proposals. Once those forms have been reviewed, feedback is provided and accordingly project proposals that qualify are invited to complete a formal application package.

Each applicant is provided with an application package that includes guidance from DEQ and a list of water quality project types, areas, or topics developed in cooperation between DEQ and the BAGs. This list represents the priorities that DEQ and/or the BAGs believe need to be addressed to restore or protect water quality throughout the state. The guidance documents provide each applicant with materials necessary to develop a comprehensive project and include such items as:

- application checklist;
- nonpoint source project summary and budget form;
- EPA required elements list;
- DEQ program contact list;
- nonpoint source grant schedule; and
- DEQ nonpoint source technical evaluation form.

In the proposed project, each applicant must specifically address a series of required elements. These elements are necessary to facilitate the technical evaluation and ranking of the proposed projects. Staff from DEQ and the other state-designated agencies routinely work with applicants to develop projects and to ensure that proposed projects meet the state and federal project requirements.

## **Project Evaluation and Administration**

As with any review process, a set of evaluation criteria is necessary to evaluate the project proposals. The “Project Application Technical Evaluation” form can be obtained upon request. These criteria are subject to change yearly and will be updated to reflect priorities of the DEQ Water Quality Programs. The criteria are provided to each agency or group seeking funding during the initial request for types of projects: enabling each applicant to understand programmatic and state priorities. Additionally, project applicants should communicate with all pertinent natural resource agencies, organizations, and industries when developing a nonpoint source project pre-application and application. Natural resource agencies when afforded the opportunity for review and comment on projects prior to DEQ’s evaluation can often enhance the application process. The up-front work with the agencies should also help identify those areas for which, joint efforts could enhance the benefits to the resource base. Further, up-front work will identify the various roles and requirements of each agency—ensuring all current and ongoing NPS prevention and control efforts are recognized in the plan—represents a comprehensive working plan, and incorporates the various commitments for technical assistance or funding from the partnering agencies.

Participants are encouraged to submit draft proposals to IDEQ for a preliminary project review. Any deficiencies with the project submittal are communicated back to participants so that

changes can be made prior to the application due date. These preliminary reviews have provided applicants with additional technical assistance to meet Nonpoint Source Program goals. The final evaluation phase has several steps. First, a project application technical evaluation is completed at DEQ's regional offices. During this phase the projects are reviewed to ensure that all state and federal programmatic criteria have been met. Next, each project is reviewed to ensure that it demonstrates availability of resources to maintain the project for a minimum of 10 years following the close of the contract and will yield lasting water quality improvement in the project areas. Those projects, which pass the technical evaluation, are routed to the appropriate BAG for review and ranking. The proposals are reviewed by the BAGs to determine how they fit into the overall water quality management of the basin. Once all the projects have been reviewed and ranked by the BAGs, they are submitted to the DEQ State Office where a review panel composed of BAG chairmen and appropriate DEQ staff prioritizes all Idaho project applications.

### **Project Exemptions**

The Clean Water Act and other federal programs emphasize remediation and reduction of generated waste. One purpose of Idaho Nonpoint Source Management Program is to effectively administer §319 of the Clean Water Act. As such, DEQ is reluctant to become involved with those projects which could generate a regulated waste or involve DEQ in future clean-up activities which may be mandated as part of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA). Therefore, projects will not be eligible for funding which generate a waste by-product that is designated and/or regulated by Resource Conservation and Recovery Act (RCRA) or Toxic Substances Control Act, which cannot be disposed of in a nonhazardous manner (i.e., RCRA subtitle "D" landfill), or which would implicate the State of Idaho in future CERCLA related clean-up activities. Additionally, projects will not be eligible for funding under this plan that would include any activity associated with the removal, transport, or disposal of materials which cannot be permanently and safely entombed in a RCRA subtitle "D" landfill or which fails the Toxicity Characteristic Leaching Procedures testing procedures. The exception to these provisions is for those projects dealing with nonpoint source materials exempted through the Bevill Amendments (e.g., mine tailings).

### **The Project Subgrant**

Individual project subgrants are issued to each successful applicant from the State of Idaho. The subgrant is derived from the grant the State has been awarded. Individual subgrants include a copy of the applicants work plan, schedule, and budget. Individual subgrants developed through DEQ are subject to all federal and state grant-reporting requirements. Should DEQ determine that a subgrantee is not providing the services or products outlined in the subgrant, DEQ may terminate the subgrant agreement.

The focus of the NPS program is to implement on-the-ground best management practices (BMPs) that reduce nonpoint source pollution and therefore, DEQ encourages participants to keep capital and operating costs for equipment purchases low. DEQ encourages participants to use match monies to purchase needed equipment. Project administrative costs are limited to 10 percent of the total project costs. Administrative costs include combined salaries, overhead, and indirect costs.

Additionally, DEQ reviews all project invoices to ensure that charges submitted to DEQ for payment are appropriate and compatible with the established subgrant work plan. Any questions related to submitted invoices are returned to the subgrantee for resolution prior to payment being issued. Subgrant revisions and extensions are allowed under the NPS program, but must be submitted in writing and approved by DEQ prior to any revisions being enacted.

## **Project Reviews and Reporting**

Projects are subject to a programmatic task and financial review once 90 percent of the tasks have been completed. DEQ attempts to visit and review 50% of the projects yearly to ensure that work is being completed according to the prepared contract. Project participants are required to submit progress reports to DEQ as specified by contract. A final report on the project is due to DEQ ninety (90) days from completion of the last scheduled task. Once the final report has been completed, the project is closed out and EPA is notified.

All projects once initiated must provide semi-annual reporting. These “progress” reports are due in April and October during the life of the project. As part of the progress reporting, applicants are expected to provide data that ties cost and benefit to improving the resource.

## **Project Monitoring**

DEQ is the designated state agency for the collection of instream water quality monitoring data. It is incumbent on the designated agency to conduct the proper testing and field studies to document BMP effectiveness prior to project implementation. Therefore, the State NPS program shall not use §319 grant funds for “end of field” effectiveness monitoring for BMPs identified in the State Water Quality Standards or as adopted by the appropriate designated State agency. However, this does not preclude project participants from submitting projects with proper ground water or surface water monitoring plans, including “end of field” monitoring for experimental BMPs. The monitoring and QA/QC plans for projects are subject to review and approval by DEQ sixty (60) days prior to the commencement of field operations.

DEQ encourages project participants to use monitoring methods, which are simple in nature and can easily demonstrate the project effectiveness. For example, many participants have chosen to use photographic monitoring to demonstrate improvements to riparian habitat and vegetation or measuring the number of yards of sediment removed from gully plugs or sediment basins during scheduled maintenance. These types of monitoring activities have proven to be an effective and a cost-efficient method of determining BMP effectiveness when compared to the development and implementation of a more rigorous chemical specific monitoring program.

However, DEQ does recognize that in some instances (e.g., ground water projects) this type of monitoring activity would be insufficient to demonstrate certain types of BMP effectiveness. Under this type of circumstance, DEQ does allow for chemical specific monitoring. However, the goals and objectives of chemical specific monitoring plans must be worked out with DEQ staff during the development of the project to ensure that the data collected will provide for the best analytical results and a true indication of the BMPs effectiveness.